

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO. 90-200
PROVIDE PROPANE SERVICE TO THE CHAMPIONS)	
GOLF COURSE SUBDIVISION IN JESSAMINE)	
COUNTY, KENTUCKY)	

O R D E R

This matter arises upon the July 9, 1990 filing of a petition of Columbia Gas of Kentucky, Inc. ("Columbia Gas") requesting the Commission approve the transfer of that portion of Columbia Propane Corporation ("Columbia Propane") which consists of facilities being used to provide propane service to the Champions Golf Course Subdivision.

Columbia Gas states that they currently perform all meter reading, billing, and service functions for Columbia Propane in connection with providing propane service to the subdivision. The customers of Columbia Propane will experience no change in their existing service if the certificate is granted and Columbia Gas renders propane service. In addition, Columbia Gas has a natural gas main approximately two miles from the subdivision which may allow Columbia Gas to provide those customers currently served by Columbia Propane with natural gas in the future, if it is economically feasible to do so. Columbia represents that it will own and operate the propane distribution system and will assume

responsibility for the operation and maintenance of the 30,000 gallon propane storage tank supplying the Champions Golf Course Subdivision. Columbia Gas maintains that it has the ability to provide reliable propane service to those customers currently served by Columbia Propane.

Also included was a proposed propane tariff for approval of rates and regulations for propane service. This filing was made in both the instant case and Case No. 90-100.¹ This filing as amended by a subsequent tariff filed October 5, 1990, contains a rate for propane service, Schedule GPS, which reflects the settlement reached in Case No. 90-063.² After consideration of the rates and regulations for propane service, the Commission finds both to be reasonable, in the public interest and approves both herein.

After consideration of the petition, the exhibits, and all other matters of record and being otherwise sufficiently advised, the Commission finds the following: KRS 278.020(4) provides that the Commission shall approve the transfer "if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service." In applying this statutory standard in the instant case, the Commission finds that Columbia Gas has extensive financial, managerial, and technical experience

¹ Case No. 90-100, Jurisdictional Status Of Columbia Hydrocarbon Corporation's Propane Distribution System.

² Case No. 90-063, An Adjustment of Rates of Columbia Gas of Kentucky, Inc.

in natural gas utility operations in Kentucky. Given Columbia Gas's extensive experience in natural gas distribution operations and the similarities of the propane distribution system to a natural gas distribution system, the Commission finds that Columbia Gas possesses the financial, managerial, and technical expertise to continue to provide reasonable service to the customers served at the Champions Golf Course Subdivision. To reflect the transfer approved herein, appropriate accounting entries should be made on the books of Columbia Gas. Specifically, Columbia Gas should close Account No. 102, Gas Plant Purchase or Sold, into Account No. 114, Acquisition Adjustment, as prescribed by the Uniform System of Accounts for Natural Gas Utilities.

Columbia Propane has further requested in this proceeding that it be dismissed as a party to the Commission's investigation into the jurisdictional status of Columbia Propane's operations, Case No. 90-100. The Commission finds it appropriate to consider that request in Case No. 90-100.

IT IS THEREFORE ORDERED that:

1. The transfer of Columbia Propane facilities used to provide propane service to the Champions Golf Course Subdivision in Jessamine County, Kentucky, to Columbia Gas be and hereby is approved.

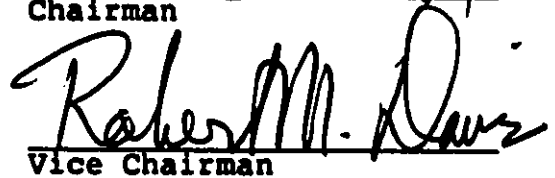
2. Within 20 days of the date of this Order, Columbia Gas shall certify to the Commission that the appropriate accounting entries to reflect the transfer have been made consistent with the Uniform System of Accounts.

3. Within 30 days of the date of this Order, Columbia Gas shall file its revised tariffs with the Commission setting out the rates and regulations for propane service approved herein.

Done at Frankfort, Kentucky, this 8th day of October, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director